

ER 85-283

**Office of Legislative Liaison**  
Routing Slip

TO:	ACTION	INFO
1. D/OLL		✓
3. DD/OLL		✓
3. Admin Officer		
4. Liaison		✓
5. Legislation		✓
6. B		✓
7. F		✓
8. J		✓
9.		
10.		

SUSPENSE	Date
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Action Officer:
Remarks:

14 Feb.  
Name/Date

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30 JAN 1985  
5:00

1. DD/OCC Σ

2. D/OCC 002

3. Registry - log  
& process

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**EXECUTIVE SECRETARIAT**  
**ROUTING SLIP**

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR		X		
4	D/ICS				
5	DDI		X		
6	DDA		X		
7	DDO		X		
8	DDS&T		X		
9	Chm/NIC				
10	GC		X		
11	IG				
12	Compt		X		
13	D/Pers				
14	D/OLL		X		
15	D/PAO				
16	SA/IA				
17	AO/DCI				
18	C/IPD/OIS				
19	NIO				
20					
21					
22					
SUSPENSE		Date			

Remarks
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30 Jan 35  
Date



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503  
January 29, 1985

Registry
55-283

MEMORANDUM FOR JOHN MCMAHON

FROM: JOE WRIGHT

SUBJECT: CIA Retirement Plan

John -- this memo follows up on our conversation concerning the status of retirement changes in the CIA.

The CIA had been informed in the passback that the reform proposal included in the Budget for the Civil Service Retirement System, which covers the general Federal workforce, would also be proposed for the CIA's special retirement plan.

However -- the major proposed change -- the penalty for retirement before age 65 -- has been modified to reflect the fact that CIA now has an earlier retirement age, age 50 instead of age 55, when full benefits are payable. The change for CIA would introduce a reduction in the retirement benefit of 5 percent for each year the employee is under age 60 at retirement. The reduction would be phased in for employees over 40, with no effect on those already age 50. The full penalty would reduce benefits at age 50 by one half of what is payable under the current system.

The penalty for pre-60 retirement is also proposed for the Foreign Service Retirement System.

The rest of the changes proposed for Civil Service Retirement would also apply to CIA retirement:

- o No cost-of-living adjustment would be given in 1986.
- o Subsequent COLA's would be the lesser of the CPI or General Schedule pay increase. Fifty-five percent of the COLA would be given to that portion of an annual benefit over \$10,000. The \$10,000 would be increased by each COLA.
- o The salary base for calculating the benefit would change from the high-three to high-five average salary, credit for unused sick leave would be phased out.
- o Student benefits and the minimum annuity would be eliminated for the future and benefits for the surviving spouses of deceased workers would be payable when there are minor children and when the spouse is over age 60 -- these changes parallel Social Security provisions.

Thanks for your call -- I hope this adjustment takes care of the problem.